

MEMORANDUM FOR: Deputy Director (Plans)

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ATTENTION: Mr. [REDACTED]

SUBJECT: Programming Procedure, and Delegations of Authority to Chiefs of Field Stations.

REFERENCE: Memo dtd 9 September 1959, fr Director, Bureau of the Budget, to DCI, w/atts. Containing Recommendations on the Above Subject.

1. In accordance with your recent request, there follows comments and suggestions pertaining to the recommendations contained in Sections 1 and 2 of Reference. As you know, certain practices already in effect in the Agency are in line with the recommendations for greater flexibility outlined in Reference. For example:

a. By DCI memorandum dated 17 October 1958 and DD/P memorandum dated 31 October 1958, authority was delegated to Division and Staff Chiefs to approve projects up to \$10,000 at the Division level, and certain types of projects up to \$25,000 at the Staff level.

b. The recent action taken to reduce the planning cycle, and the utilization of summary forecasts.

c. The use, effective as of 1 July 1959, of single allotments of funds for each area program.

d. The fact that funds can be shifted between FI projects, up to 15 per cent, without prior project approval.

e. The fact that Support funds can be shifted between activities at Headquarters or in the field without prior project approval.

2. The substance of the recommendations contained in Sections 1 and 2 of Reference which we feel are worthy of consideration for adoption by the Agency are as follows:

a. That the FRC discontinue placing fund limitations on individual projects (with the possible exception of large activities such as [REDACTED] but, instead, approve an operating component's program by Activity. Example - FI: PP, FI, Support.

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b. That DE/P delegate authority to Chiefs of Field Stations to adjust within programs by shifting funds between operational projects or support activities, not to exceed 25 per cent (or some other fixed percentage) of the project or support activity, and within the total of funds available to the Station.

3. The adoption of recommendations 2.a. and b. above would require approval of the DCI to revise [REDACTED] and related issuances, following which the system would work substantially as follows:

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a. The operating component's program submittal would identify Activities (PP, FI, Support), and individual projects and the estimated amounts for each, for planning and informational purposes.

The FRC approval of monetary amounts would be on a Program and Activity basis, with provision for DE/P to permit shifts between projects, with no monetary limit, unless such total adjustment occasioned monetary adjustments between Activities in excess of 25 per cent.

The Comptroller would allot funds on a program basis with one vouchered funds and one confidential funds allotment to each Staff and Operating Division. (This system of allotments is already in effect.)

b. Area Operating Divisions would issue one allotment to each Chief of Station, identifying projects and the authorized amount for each, for permitting adjustments up to 25 per cent between projects or support activities within the total funds available.

4. We believe the above changes in our Agency Activities Approval System could reasonably be expected to result in the following advantages:

a. Provide more time and opportunity for top officials of the Agency to evaluate total programs as a whole (as distinct from individual projects) against over-all foreign policy objectives.

b. Provide greater flexibility and effectiveness in the conduct of field operations by permitting the Chief of Station to take timely advantage of local impact opportunities, as well as to play down and eliminate projects of marginal value as local situations change.

c. Eliminate a substantial amount of correspondence, cables and related paper work.

5. Kindly advise if we can be of assistance in the development of further information on this subject.

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Special Support Assistant/DIS

ASSA-DD/S:FPB/ms (5 Oct. 59)

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